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TO ALL AFRICAN DIPLOMATIC POSTS PRIORITY
GULF WAR COLLECTIVE
RUEHKK/ARAB ISRAELI COLLECTIVE
BT
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E.O. 12356: DECL: OADR
TAGS: PREL, PINS, XF
SUBJECT: MURPHY APPEARANCE BEFORE HAMILTON SUBCOMMITTEE

1. SECRET - ENTIRE TEXT

2. ON JUNE 15, ASSISTANT SECRETARY MURPHY MET FOR ONE HOUR IN CLOSED SESSION WITH MEMBERS OF THE HOUSE FOREIGN AFFAIRS SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST TO PROVIDE AN NEA UPDATE. CONGRESSMEN IN ATTENDANCE INCLUDED HAMILTON, LEVINE, LANTOS, LARRY SMITH, OWENS, GILMAN AND BERMAN. IN RESPONSE TO A/S MURPHY'S REVIEW OF THE MOSCOW AND ALGIERS SUMMITS, THE SECRETARY'S LATEST TRIP TO THE MIDDLE EAST, THE GULF WAR AND LEBANON, THE CONGRESSMEN RAISED THE FOLLOWING QUESTIONS:

3. IRAN: HAMILTON ASKED ABOUT PRESS REPORTS OF USG-IRANIAN CONTACTS IN THE UN ABOUT HOSTAGES. A/S MURPHY REITERATED OUR POSITION THAT THE DOOR IS OPEN FOR A DIALOGUE WITH TEHRAN WHEN AN AUTHORITATIVE RESPONSIBLE IRANIAN IS PREPARED TO TALK TO US. THIS MESSAGE HAS REPEATEDLY BEEN SENT VIA THE SWISS WITHOUT RESPONSE.

4. WEST BANK: HAMILTON OBSERVED THAT THE NUMBER OF VIOLENT INCIDENTS HAS DECREASED IN THE PAST MONTH. A/S MURPHY SAID THE ISRAELIS HAVE BEEN SUCCESSFUL IN "SQUEEZING THE VITALITY OUT OF THE UPRISING," IN THEIR ABILITY TO COLLECT TAXES, RENEW PASS CARDS AND OTHER MEANS OF CONTROL OVER THE GENERAL POPULATION. HE SAID THE INCIDENCE OF VIOLENCE HAS SLOWED BUT IS STILL HIGH. HE NOTED THE CALL FOR A GENERAL STRIKE PLANNED BY THE PALESTINIANS AND THE ISRAELI RESPONSE TO CLOSE SCHOOLS. HE SAID THAT A DIALOGUE BETWEEN ISRAELIS AND PALESTINIANS STILL HAS NOT STARTED. ON THE SAME SUBJECT, SEVERAL MEMBERS RAISED PRESS REPORTS ALLEGING THAT ARAB LEAGUE STATES AGREED TO PROVIDE ADDITIONAL FINANCIAL SUPPORT TO THE PLO IN ORDER TO FUND THE UPRISING. A/S MURPHY NOTED THAT ACCORDING TO THE INFORMATION WE HAVE TO DATE, NO SUCH PLEDGE WAS UNDERTAKEN. LARRY SMITH TOOK THE OCCASION TO ASSERT THAT WE ARE FACING A MAJOR POLICY QUESTION RE WHAT TO DO WITH THOSE "PEOPLE FANNING THE FLAMES OF WAR INSIDE ISRAEL." (HAMILTON REQUESTED AN ECONOMIC STUDY OF THE EFFECTS THE UPRISING HAS HAD ON THE ISRAELI AND WEST BANK ECONOMIES.)

(CHC)
Rep Hamilton
Rep Levine
Rep Lantos
Rep Smith
Rep Owens
Rep Gilman
Rep Berman

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5. PEACE PLAN: RETURNING TO THE MEETING IN ALGIERS, LANTOS AND OTHER MEMBERS QUESTIONED WHETHER THE USG IS PLEASED BECAUSE THE ARAB SUMMIT DID NOT REJECT THE SHULTZ PLAN. A/S MURPHY NOTED THAT WE ARE PLEASED THAT NEITHER THE ISRAELIS NOR THE ARABS HAVE YET DONE SO. RE THE SECRETARY'S NEXT TRIP TO THE REGION, A/S MURPHY SAID THE SECRETARY WILL NOT DO SO ANYTIME CLOSE TO THE ISRAELI ELECTIONS.

6. MOSCOW SUMMIT: TURNING TO THE SOVIETS, LANTOS OPINED THAT BECAUSE "DETENTE MEANS MORE TO THEM THAN TO US, WHY DON'T WE DEMAND A QUID IN THE MIDDLE EAST --WHY CAN'T WE HAVE THEM LEAN ON THEIR CLIENTS?" A/S MURPHY EXPLAINED THAT THE SOVIETS HAVE ALREADY DONE SO TO A LIMITED EXTENT AND HAVE CHALLENGED US TO DO THE SAME BY BRINGING ISRAEL AND JORDAN TO THE NEGOTIATING TABLE. NEVERTHELESS, HE CONTINUED, THEY ARE NOT YET PREPARED TO DISCUSS OPERATIONAL SPECIFICS WITH US ON THE SHULTZ PLAN. A/S MURPHY ALSO REVIEWED THE USG POSITION VIS-A-VIS MOSCOW'S ROLE IN A COMPREHENSIVE PEACE.

7. LEBANON: A/S MURPHY EMPHASIZED THE IMPORTANCE OF ELECTIONS TAKING PLACE THIS SUMMER. HE UNDERScoreD THE DANGER OF HOW AN ALL CHRISTIAN CABINET COULD ACCELERATE THE POSSIBILITY OF PARTITION. HE ALSO NOTED THAT THE SAUDIS ARE WORKING BEHIND THE SCENES HOPING TO USE THE LEBANESE SITUATION TO DRIVE A WEDGE BETWEEN SYRIA AND IRAN.

8. ARAB-US TIES: IN RESPONSE TO PRESS REPORTS THAT THERE IS AN INCREASING AMOUNT OF ANTI-U.S. SENTIMENT IN THE ARAB WORLD, A/S MURPHY OBSERVED THAT THESE REPORTS ARE EXAGGERATED.

9. CSS-2 MISSILES: RE SAUDI ARABIAN ACQUISITION OF CHINESE MISSILES, A/S MURPHY RENEWED OUR CONCERN ABOUT THE MISSILE DEAL, AND SAID THE SAUDIS PROBABLY "PAID THROUGH THE NOSE" FOR DEVELOPMENT OF A NON-NUCLEAR WARHEAD. WE HAD PREVIOUSLY NOT KNOWN OF A CONVENTIONAL VERSION OF THE CSS-2. HE REVIEWED OUR EXCHANGES WITH THE ISRAELIS RE A PREEMPTIVE STRIKE AND STRESSED THAT THE USG IS UNABLE TO GUARANTEE THE SAFETY OF THE MISSILES IN A PRE-WAR SITUATION. ISRAEL'S PRIMARY CONCERN, HE SAID, IS WITH CHEMICAL OR NUCLEAR WEAPONS, NOT WITH CONVENTIONAL WARHEADS.

10. F-18S FOR KUWAIT: SEVERAL MEMBERS WERE VERY INTERESTED IN AND EXPRESSED CONCERN OVER REPORTS THAT THE KUWAITIS ARE CONSIDERING PURCHASE OF MIRAGE 2000S FROM FRANCE. A/S MURPHY CORRECTED THEIR IMPRESSION THAT SUCH A DEAL HAD ALREADY BEEN CONCLUDED AND UNDERTOOK TO GET BACK TO THE SUBCOMMITTEE RE ANY LARGE AIRCRAFT SALE BETWEEN FRANCE AND KUWAIT. MEMBERS SHOWED SERIOUS CONCERN IF BOTH U.S. AND FRENCH SALES WERE BEING CONTEMPLATED.

11. FURTHER U.S.-SOVIET M-E TALKS: MURPHY SAID HE WILL PROBABLY MEET NEXT MONTH FOR EXPERT TALKS WITH VLADIMIR POLYAKOV, LIKELY FOLLOWED BY A BRIEFING TRIP IN AUGUST TO THE MIDDLE EAST.

SHULTZ
END OF MESSAGE

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